

HB 1579 -- ELEMENTARY AND SECONDARY EDUCATION

SPONSOR: Barnes

This bill changes the laws regarding elementary and secondary education.

EQUAL OPPORTUNITY SCHOLARSHIP PROGRAM (Sections 135.712 - 135.719, RSMo)

The Equal Opportunity Scholarship Program is established to grant scholarships to students residing in an unaccredited school district whose family income does not exceed 200% of the federal poverty level to attend a qualified nonpublic school. Beginning in tax year 2014, a taxpayer may make a qualifying contribution to an educational assistance organization and claim a tax credit. The annual cumulative amount of tax credits is limited to \$50 million in any one fiscal year, which will be modified based on the federal Consumer Price Index. The tax credit is for 75% of the amount of the contribution, is nonrefundable, and may be carried forward for four years or transferred. The Director of the Department of Economic Development must establish a procedure to apportion the amount of tax credits among all educational assistance organizations and may reapportion credits to educational assistance organizations that have used all, or a certain percentage, of their tax credits.

An educational assistance organization must meet certain requirements, including being a 501(c)(3) organization; providing a receipt to taxpayers for contributions; ensuring that funds are used as specified in the bill; distributing scholarship payments four times per year; providing the department, upon request, with criminal background checks on all of its employees and board members; and demonstrating financial accountability and viability, as described in the bill.

Each educational assistance organization must ensure that a qualified school:

- (1) Complies with all health and safety laws applicable to nonpublic schools;
- (2) Holds a valid occupancy permit if required by its municipality;
- (3) Does not discriminate in admissions based on race, color, national origin, or disability; and
- (4) Provides academic accountability to parents. An educational

assistance organization must annually and publicly report to the department information by June 1 about the organization, information about the scholarship recipients, and the total number and dollar amounts of scholarships awarded. An educational assistance organization cannot provide scholarships to any school with paid staff or board members in common with the organization's board or staff. An educational assistance organization must not limit its scholarships to the students of only one school.

A qualified school must comply with all state laws applicable to public schools regarding criminal background checks for employees and exclude from employment anyone prohibited from working in a public school. A qualified school must administer the statewide assessment to its scholarship students. A qualified school must also meet certain accountability measures, including fiscal soundness, accreditation, and surveys of parents and students.

Subject to appropriations or available private donations, the Joint Committee on Legislative Research must contract with a qualified researcher to conduct a study of the program. The study must cover a period of five years. The program sunsets in 12 years.

CHARTER SCHOOLS (Sections 160.400, 160.405, 160.408, and 160.417)

The bill allows the mayors of Kansas City and St. Louis to sponsor charter schools. A provision requiring the Department of Elementary and Secondary Education to provide guidance to sponsors in developing policies and procedures for application review, performance frameworks, intervention, oversight, and closure. The deadline for submission of a charter application is changed from December 1 to January 31, and any charter application received by the state board of education (SBE) by November 15 must be considered within a 60-day period or be deemed approved. Disapprovals must be in writing, must identify specific failures, and must be issued in five business days. Any decision of the state board to disapprove a charter renewal must be based only on the application's failure to comply with data and achievement objectives in the performance plan.

The bill establishes a procedure relating to high-quality charter schools and management organizations that are permitted to replicate and expand in unaccredited districts and the St. Louis and Kansas City public school districts. The bill specifies the qualifications for the "high-quality" designation, requires that proposed charters include a legally binding performance contract that meets the established charter school requirements, and requires the sponsor to decide to approve or deny within 60 days of submission. An approved application must be filed by January 31 with the state board along with a sponsor finding that the

application meets the requirements and a monitoring plan. When a sponsor denies an application, it must forward its reasons in writing to the state board within five business days. The applicant may bring the denied application to the state board, which may approve it and act as its sponsor or deny it. The term of a highly-qualified charter school is 10 years, and renewal is subject to the renewal requirements of subsection 9 of Section 160.405.

Provisions relating to financially stressed charter schools will apply to charter schools that have been in operation for at least three calendar years.

ACCREDITATION (Sections 160.540 and 161.096)

The bill revises provisions relating to the consequences of academic deficiency to establish an achievement school district under the Department of Elementary and Secondary Education to provide oversight for schools assigned to it by the Commissioner of Education. The Commissioner must assign each school that is designated unaccredited within a district that has been designated unaccredited, exempting certain specialty districts. The achievement district has the authority to suspend or terminate contracts of certificated staff, principals, and administrators. Incentives for performance based pay may be part of a program to prevent schools from becoming unaccredited.

New provisions require the State Board of Education to develop a system of classification for accrediting individual school buildings within an unaccredited district and exempt the rules from the two-year delay required under Section 161.092. Schools deemed unaccredited are removed from the jurisdiction of the district to which they are geographically assigned to.

TEACHER SALARIES (Sections 161.970 and 168.110)

The bill creates the Rewarding Teacher Excellence Fund to reward highly effective teachers and provide incentives for school districts to align teacher salaries with student performance. No more than 80% of the fund may be distributed in any given year, in the form of grants for which school districts must apply by July 1, based on qualifications specified in the bill. Seventy percent of the awards must be made based on student population and the remainder may be made on qualifications set by the Department of Elementary of Secondary Education for innovative programs. The bill also repeals the requirement for a salary schedule applicable to all teachers and replaces it with a requirement for a compensation plan.

TRANSFER PROGRAM (Sections 162.1250, 163.161, 167.131, 167.133, 167.241, and 167.245)

A student who resides in an unaccredited school district and is enrolled in a public school may enroll in a school district other than the residence district or in a charter school to attend virtual courses or programs. The bill specifies enrollment procedures, preferences, and funding. Any institution of higher education with its primary campus in Missouri that has an approved teacher education program may sponsor a virtual charter school for this purpose.

Districts providing transportation for their pupils under the transfer law will not have their transportation reimbursement reduced for inefficiency and may use an estimate of miles in the first year of a transfer program.

The bill restores the existing transfer section to its previous coverage of K-8 districts and creates a new section to govern transfers resulting from a district losing its accreditation. Pupils who reside in the district must be enrolled in a public school to transfer, unless they are kindergarten or first grade students who have not yet attended school. A private school student or a student who moves into the district must enroll and attend a public school for a year to qualify to transfer.

Districts must establish rules for receiving transfer students by June 30, 2014, based on the availability of highly qualified teachers in existing classroom space. Once a student is accepted, the student may complete his or her program through high school.

The bill establishes a separate procedure for the St. Louis and Kansas City school districts, based on enrollment in an unaccredited school. These students may transfer to another accredited school in the same district or to a school in a fully accredited receiving school district in the same or an adjacent county. The tuition for the receiving district is based on the voluntary interdistrict transfer corporation's tuition in St. Louis area districts and on the lesser of the receiving districts average actual cost of education or \$7200 in Kansas City area receiving districts. Transfer application must be completed by April 1 for the following school year. Once an unaccredited school regains accreditation, the student who was enrolled in the school may finish the current school year in the receiving district's school.

When a school district becomes unaccredited and the total student enrollment of the district and any potential receiving districts totals 10,000 or more students, the department must establish a clearinghouse, as defined in the bill, for transfer information and

support. The bill specifies application procedures for clearinghouses. The department must withhold funds from the sending district to defray the costs of the clearinghouse.

The bill contains an emergency clause.